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S.239

Introduced by Senators Hooker, Balint, Hardy, Lyons, Pollina and Ram

Hinsdale

Referred to Committee on

Date:

Subject: Health; health insurance; Medicare supplemental insurance; open
enrollment

Statement of purpose of bill as introduced: This bill proposes to create annual open enrollment periods for Medicare supplemental insurance policies and to prohibit health insurers from charging additional premiums, fees, or penalties based on an individual's failure to enroll in a Medicare supplemental insurance policy within six months following the individual's 65th birthday. The bill would permit enrollees to change at any time from one Medicare supplemental insurance policy to another policy with comparable or lesser benefits. It would also direct the Department of Financial Regulation to convene a stakeholder group to consider issues related to the availability of, enrollment in, and use of supplemental coverage for Medicare beneficiaries and to provide recommendations to the General Assembly.

An act relating to enrollment in Medicare supplemental insurance policies

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 8 V.S.A. § 4080e is amended to read:

3 § 4080e. MEDICARE SUPPLEMENTAL HEALTH INSURANCE

4 POLICIES; COMMUNITY RATING; DISABILITY

5 * * *

6 (d)(1) A health insurance company, hospital or medical service
7 corporation, or health maintenance organization offering a Medicare
8 supplemental insurance policy shall guarantee acceptance of an individual's
9 application for coverage during the six-month period following the individual's
10 65th birthday and during an annual open enrollment period that shall coincide
11 with the federal open enrollment period for Medicare Part D plans. A health
12 insurance company, hospital or medical service corporation, or health
13 maintenance organization offering a Medicare supplemental insurance policy
14 shall not make any premium rate distinctions or charge any additional fees or
15 penalty amounts based on an applicant's failure to enroll in a Medicare
16 supplemental insurance policy during the applicant's initial open enrollment
17 period upon attaining 65 years of age.

18 (2) A health insurance company, hospital or medical service
19 corporation, or health maintenance organization offering a Medicare
20 supplemental insurance policy shall allow an enrollee to change at any time

1 from one Medicare supplemental insurance policy to another policy offering
2 comparable or lesser benefits.

3 Sec. 2. MEDICARE SUPPLEMENTAL COVERAGE; DEPARTMENT OF
4 FINANCIAL REGULATION; REPORT

5 (a) The Department of Financial Regulation shall convene a group of
6 interested stakeholders to consider issues relating to the availability of,
7 enrollment in, and use of supplemental coverage by individuals enrolled in
8 Medicare. A majority of the stakeholders shall not have a financial stake in
9 any Medicare supplemental coverage product.

10 (b) The stakeholder group shall examine:

11 (1) the options available to older Vermonters through Medicare
12 supplement and Medicare Advantage plans, the affordability of these options,
13 and the extent to which the State may regulate or otherwise affect the options
14 offered to Medicare beneficiaries in Vermont, including the marketing of these
15 products;

16 (2) the effects of annual or continuous open enrollment periods for
17 Medicare supplemental coverage available in other states, including whether
18 they have led to adverse selection or higher rate increases, or both, and the
19 extent to which an open enrollment change for Medicare supplemental
20 coverage would be likely to increase access to affordable coverage for eligible
21 individuals and to reduce medical debt; and

1 (3) whether Vermont residents are receiving accurate information about
2 Medicare supplemental coverage options and sufficient assistance with
3 selecting products that are in their best interests and, if not, how to best remedy
4 the situation.

5 (c) On or before January 15, 2023, the Department of Financial Regulation
6 shall provide its findings and recommendations regarding Medicare
7 supplemental coverage, including any recommendations for changes to
8 Vermont law, to the House Committee on Health Care and the Senate
9 Committees on Health and Welfare and on Finance.

10 Sec. 3. EFFECTIVE DATE

11 This act shall take effect on July 1, 2022.